The hon. the PRESIDENT :—"I take it the House is ready for a vote. The question is 'that this Council authorizes the select committee appointed by it to report on the Madras Services Commission Bill (Bill No. 5 of 1929) to hold its sittings at Ootacamund to consider the Bill and to draft the report."

The motion was put and carried.

V

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE FOR 1926-27.

* The hon. the PRESIDENT :—"The Council will now take into consideration the Report [a] of the Public Accounts Committee."

* Sriman BISWANATH DAS Mahasayo :—"Sir, I am one of those who appended a dissenting minute to the report and I want to say something on this important subject. From the report you will see that there has been unfortunately a tendency to under-estimate the revenue and over-estimate the expenditure. The over-estimation of the revenue will be seen from a consideration of the estimates of revenue for the last number of years. I will refer hon. Members to the estimates for 1925-26 and 1927-28. I was able to pick it up here only; and I may add that what holds good for these two years holds good also for the other years. Thus in the estimates for the year 1925-26, hon. Members will see that while Government expect a revenue of 16½ crores, the amount actually realized shows sixteen crores and nineteen lakhs. Similarly for the year 1927-28 while the estimate was 16·54 crores the actual amount realized for the year as per account is 17·56 crores, i.e., over a crore. This shows that the revenues of the province have not been properly estimated. Not only the revenues have not been under-estimated but that the expenditure side has also been over-estimated. Besides that most of the departments to whom money was allotted have not spent the money but have allowed it to lapse and the lapsed amounts work up in lakhs. To quote some figures, in 1923-24, the lapsed money alone amounted to 88·3 lakhs. For 1924-25 the lapses amounted to 63 lakhs. For 1926-27 the lapses amounted to one crore and sixty-three lakhs. Such an estimate leads to the result of an irresponsible system of administration that could be thought of. Sir, the Accountant-General and the Auditor-General year after year have been warning Government about this sad state of budgeting as also to the control of expenditure; but these have never been attended to either by the Finance Department or by the heads of the departments concerned or by the controlling officers of the Government. Sir, I will take a little time of the House to invite the attention of hon. Members to the remarks of the Accountant-General and the Auditor-General for the year 1923-24. At page 22, the Auditor-General agrees and accepts the remarks of the Accountant-General in the following words: 'Even so, I endorse fully the remarks made by the Accountant-General, Madras, that the necessity for economy and curtailment of expenditure as well as for development of revenue still exists.' Similar remarks occur at pages 56 and 11 in the reports for the years 1924-25 and 1926-27. These warnings of the Accountant-General and the Auditor-General time after time and year after year have not been heeded by the Government. Thus we have to deal with a budget where the expenditure as per accounts exceeds the estimates; and it exceeds the actual expenditure by 10 per cent. That is seen from the report

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[a] Vide proceedings of the 11th March 1929.

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of the Public Accounts Committee for the year 1926-27. Then, Sir, under the Devolution Rules the heads of departments have got the power of transferring grants from one sub-head to another sub-head and the Finance Department has full power of transferring sums from one main head to another main head, as also of sanctioning transfers from one sub-head to another sub-head. Sir, this has led to a system of expenditure which is unjustifiable in many cases and which is most irresponsible in all cases of denial of executive responsibility to the legislature. Sir, under the Government of India Act as also under the Devolution Rules the Finance Department was specially created to look into this aspect of the question, i.e., to lay down a proper estimate of the revenues of the province as also a proper estimate of the expenditure before this House so as to enable hon. Members enforce responsibility on the executive, which alone will lead to real responsibility. I submit this expectation has not at all been fulfilled. Nor has the Finance Department justified its existence."

The hon. the PRESIDENT :—"The hon. Member will continue his speech after lunch. The Council will now adjourn for lunch and re-assemble."

After Lunch (2-30 p.m.).

* The hon. the PRESIDENT :—"May I know from the Leader of the Opposition how long he expects that this debate on the Public Accounts Committee report will continue?"

* Mr. P. C. VENKATAPATI RAJU :—"That depends entirely upon the speakers on the Treasury side, Mr. President. How can I say?"

* The hon. the PRESIDENT :—"There is one item, namely, Mr. Saldanha's Bill on the agenda. If the Opposition is anxious to have it finished, the only day available in this session is this. It is entirely left in their hands to adjust the programme, and if things are allowed to drift, I have no objection."

* Mr. P. C. VENKATAPATI RAJU :—"Mr. President, we are very anxious to reach Mr. Saldanha's Bill, which after all will not take more than half an hour or so. I was talking to the Leader of the House to see whether he would consent, if necessary, to sit for some time more. Of course, only if it is necessary, we will try to finish it before 5 p.m. We were considering this matter so that we might make a representation to you."

* The hon. the PRESIDENT :—"Both sides can agree about sitting after 5 o'clock or not, on seeing the progress made in the debate. In the meantime I want to know the intentions of the Opposition."

* Mr. P. C. VENKATAPATI RAJU :—"We do not want to unnecessarily prolong the discussion, Sir."

* Sriman BISWANATH DAS Mahasayo :—"Mr. President, Sir, I have already shown in my speech that the incomes have been under-estimated and the expenditures have been over-estimated. And this is even done year after year irrespective of and in spite of the warnings given by the Accountant-General and the Auditors, which are year after year also approved by the members of the Public Accounts Committee.

"Having done that, Sir, I come to the question of supplementary grants. Under rule 32 of the Legislative Council Rules the Government is authorized to come to this Council for supplementary grants if the whole sum under a particular grant has been exhausted. Unfortunately our Government

instead of waiting to exhaust the grant, or without even caring to see whether the departments for which the supplementary grants are asked for had really a capacity to spend the money—without considering any of these questions—they come to this House as a matter of course as if we are toys to nod consent to anything that has been brought forward on the floor of this House. Supplementary demands are brought forward and carried through in this Council, with the result that in many cases of supplementary grants, the money spent for the year granted to them is far less than the money granted to them in the original demand, not to speak of the supplementary amounts that are sought for. Sir, nothing can be more irresponsible than this, and I cannot do better than quoting the words of the Accountant-General given at page 25 of the Public Accounts Committee report for 1924-25. The following extract has been quoted and approved by the Public Accounts Committee from the remarks of the Accountant-General :—

'Constitutionally the proper spending of grants is of much greater significance than the individual financial irregularities which form the subject-matter of the audit report. With the institution of departmental accounts from the 1st April 1925 the responsibilities of officers in this important matter can be more justly brought home to them.'

"Then, Sir, proceeding further it says :

'It must be remembered, however, that the Public Accounts Committee regards an unnecessary application for an additional grant as a sin only a little less heinous than that of exceeding a grant.'

"I think, Sir, no condemnation could be more scathing than the extracts that I have read from the reports of competent expert opinion, criticising and condemning the action of the Government in respect of these supplementary grants. In my minute of dissent appended to the report of the Public Accounts Committee for 1926-27 I have shown also that though the Government came forward with a demand for grant for Rs 27·69 lakhs as a matter of course, the expenditure under Grants Nos. VII, XV, XX, XX to XXVII, XXX, XXXI and XXXVI has not even exceeded the original grants, not to speak of the supplementary demands. All these go to show the irresponsible way in which the Government have been coming forward with supplementary demands, and the injustice and careless way with which the hon. Members of this House are treated. Sir, having said so much about the supplementary demands, I come to the very important question of the growth of revenue and the growth of expenditure in this province. Both the Accountant-General and the Auditor-General have severely criticised the question of the respective growth of revenue and the growth of expenditure in this Presidency. Sir, looking into the financial memoranda that are submitted to us year after year by the hon. the Finance Member, hon. Members will see the increase of revenue from 1921 to 1922 as also from 1926 to 1927. The ordinary growth of revenue in this province has been 149·99, i.e., in round figures $1\frac{1}{2}$ crores of rupees ; while the growth up to 1929 to 1930 are given at 169·87. The normal income of this province thus has been about $1\frac{1}{2}$ crores, the normal increase in the expenditure in the case of these six years, that is, up to 1926-27—I take only these reformed years—under these items has been 297·99, i.e., 298 lakhs of rupees ; this approaches practically three crores of rupees. So hon. Members will please see that the normal growth of expenditure has been practically double that of the normal growth of income in this province. Having known this, they will now please see the significance of the note submitted by the hon. the Finance Member to the Committee that was appointed to go into the supplementary demands in 1927.

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"The hon. the Finance Member then said that in case this province gets the full remission of the provincial contribution, it will just be enough for three years to meet the normal expenditures of this province. I think after one or two years hon Members will see to their grief that he will balance the income and expenditure of this province, with the result that there will not be a single pie left for the nation-building departments, either for any programme of expanding primary education or prohibition or for anything of lasting value, to the country." 2 45 p.m.

* The hon. the PRESIDENT :—"I think the hon. Member is getting into the province of the general debate on the budget. This is only an opportunity to criticise whether amounts sanctioned by the Council for particular purposes have been spent by the Government for those purposes or not. I do recognize, however, that the report of the Public Accounts Committee is not confined to this point only. Rule 34 (1) says: 'It shall be the duty of the Committee to satisfy itself that the money voted by the Council has been spent within the scope of the demand granted by the Council.' That is the duty of the Public Accounts Committee. Again rule 34 (2) says: 'It shall be the duty of the Committee to bring to the notice of the Council (i) every reappropriation from one grant to another grant; (ii) every reappropriation within a grant which is not made in accordance with the rules, etc., and (iii) all expenditure which the Finance Department has requested should be brought to the notice of the Council.' So far as can be seen the Finance Department has not requested the Committee to bring any expenditure to the notice of the Council. In this connexion, it may be noted that under rule 33 (1) the Public Accounts Committee may deal with the audit and appropriation accounts 'and such other matters as the Finance Department may refer to the Committee.' Thus, matters of finance other than the audit and appropriation accounts may be referred by the department to the Committee. If the procedure laid down in the rules had been strictly followed, it would have been easy for me to control the debate. As a matter of fact, the whole Appropriation Report is placed before the Committee and the Committee passes a resolution on every paragraph of the report; and all the decisions of the Committee are placed before the House without any references to the points mentioned in rule 34 (2), as the points which the Committee is bound to bring to the notice of the Council. If the Finance Department had specified the matters which it wanted to be examined by the Public Accounts Committee and if out of those points those alone had been placed before the Council which are required by rule 34 (2) to be placed before the Council, the procedure would have been more appropriate. I shall not now be justified in restricting the scope of the debate, because the whole of the appropriation accounts are placed before the Public Accounts Committee without any regard to the scope of the Committee's functions. That Committee went into them and the whole Report of the Committee is placed before the Council by the Finance Member who has not specified which particular matters the Committee wanted to bring to the notice of the Council. I do see the difficulty but at the same time I request hon. Members to do their best to be within the strict scope of the three paragraphs referred to in rule 34, for this year."

* Mr. G. HARISARVOTTAMA RAO :—"May I submit that there is no indiation as stated by you, Sir, as to what is to be done? In such a case, how can we confine ourselves within the scope of these restrictions?"

The hon. the PRESIDENT:—"I do not put it as a ruling, but I only put it as a recommendation to get into the right lines, if I may say so."

* Sriman BISWANATH DAS Mahasayo:—"I will close that part of my argument. I would not have said a word about it if the Public Accounts Committee had not made certain observations on the recommendations of the Accountant-General and if the Government had not gone so far as to justify their position as against the suggestions offered by the Accountant-General and the Auditor-General. I want to say, and I do hold, that the position taken up by Government as also by the majority of members of the Public Accounts Committee is not tenable and the position taken up by the Accountant-General and the Auditor-General is right; and, as such, the House ought to be given an unambiguous decision in this matter. That is the view which I wanted to place before the hon. Members of this House.

"Sir, I have now practically done. I think the time has come, in view of these things, that we should have a retrenchment committee which would go into the whole question of expenditure and suggest ways and means to keep the expenditure on a satisfactory level.

"Then, the Finance Committee has got very important functions under the Reformed Government."

The hon. Mr. T. E. MOIR:—"On a point of order. Are we discussing the Finance Committee?"

* The hon. the PRESIDENT:—"If in this discussion anything is referred to in this Public Accounts Committee Report with regard to the working of the Finance Committee, it will be in order. I have only to see whether there is any reference to the working of the Finance Committee in this Report."

* Sriman BISWANATH DAS Mahasayo:—"I have very much to say about the Finance Committee, but I shall take your recommendation to be brief and act up to it. The Finance Committee is vested with the power of scrutinizing those estimates which have been charged with over-estimating the expenditure. Unfortunately in this province, we do not have a committee to help the Finance Member in scrutinizing the budget estimates submitted by the heads of departments, though the Montford Report has laid down specific recommendations on this point. In other provinces, to my knowledge, Bihar and Orissa and Bengal, have got committees to scrutinize the estimates submitted by the heads of departments, with the result that there are less chances for over-estimation of expenditure and the executive is forced into doing things in a more responsible way. That being so, there is a clear case for the appointment of a retrenchment committee and a budget committee, as has been done in some provinces and also as has been recommended by the illustrious authors of the Montford Report, to help the Finance Member in the discharge of his very responsible and useful functions which have not been duly attended.

"Then I come to the Industries policy. I would not dilate much on it, but I have to refer to the Leather Trade Institute which has been referred to both in my minute of dissent and in the minute of my hon. Friend, Mr. Narayana Raju, who took a lot of pains to study the question. This Government unfortunately—I do not know why—is too much wedded to the Leather Trade Institute, which was condemned consecutively by the Public

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Accounts Committees of last year and also of this year The Accountant-General has also raised serious objection to this item of expenditure as unnecessary and wasteful. The Auditor-General has also accepted the view of the Accountant-General. But this unfortunate Government, with our Friend the hon. Minister for Industries, wanted to perpetuate this branch In his anxiety to extend its life, he made a reference to the Government of India and also of the provinces just to convert this useless branch into a very useful one. They said they would not have anything to do with it, nor would they contribute a pie towards its maintenance. At a certain stage of the Public Accounts Committee we were told that they were going to effect a great many retrenchments which would make us accept their proposal, and when called to place the papers showing the savings proposed, to our great surprise we were told that a few posts of peons and workers, those who were really useful, were abolished, and the top-heavy officers, i.e, the expert and his assistants were kept on. I hold that it is an unnecessary and extravagant expenditure, and if it had been placed before the Public Accounts Committee they would have given an unqualified verdict in favour of its closure. But for a ruling of the Chairman who held that it had already been decided when there was none the question was not placed before the Public Accounts Committee, I must in fairness to my hon. Friend say here that while we were talking about the minutes of dissent to be appended by my hon. Friend Mr. Raju and myself we were told that this was decided."

Mr. J. A. SALDANHA :—" May I rise to a point of order. This discussion on the policy of closing the Leather Trade Institute is outside the scope of the motion to consider the report of the Public Accounts Committee."

* The hon. the PRESIDENT :—" He is not talking about it at all."

Mr. J. A. SALDANHA :—" The discussion of the policy of closing the Leather Trade Institute does not come within the purview of this motion."

* The hon the PRESIDENT :—" As I understand, the facts are these. The Accountant-General recommended the closing of the institute this year or previous year, but it was not closed. The matter was placed before the Public Accounts Committee and the Committee came to the decision that the institute shall be continued for one year. Mr. Narayana Raju and Mr. Biswanath Das have written dissenting minutes that the recommendations of the Accountant-General should have been given effect to. An amendment is now tabled by Mr. Narayana Raju that the recommendation should be given effect to. Is the hon. Member aware of the amendment which Mr. Narayana Raju has tabled ? (Laughter)."

Mr. J. A. SALDANHA :—" Neither the Accountant-General nor the Public Accounts Committee have anything to do with the policy of Government, and the Accountant-General has no business to recommend the closing of this institution."

* The hon. the PRESIDENT :—" The Government ought to have consulted Mr. Saldanha (laughter) before they placed the opinion of the Accountant-General before the Public Accounts Committee. When once the matter is placed by the Government in the hands of the Public Accounts Committee, a committee of this House, the House will have the right to revise that opinion."

* Sriman BISWANATH DAS MAHASAYO :—" I thank you, Sir. If there is any delay, I think, hon. Members will have to blame themselves more than 3 p.m.

myself for their interruptions. Sir, now I have done. I think that the policy pursued by this Government in presenting estimates of revenue and expenditure has been faulty. They have not been treating the Council and its Members properly in the matter of supplementary grants for which they come time and again for sanction and also that the growth of expenditure over the growth of revenue has been horrible and the industrial policy of the Government is wasteful.

" With these remarks, Sir, I close my speech."

*Mr. C. GOPALA MENON :—" Mr. President, Sir, I will not take up more than a minute or two of the time of this House. I am only going to say a few words in addition to what I have already said yesterday. With regard to the Leather Trade Institute, I do not agree with the views of Mr. Biswanath Das and Mr. Narayana Raju, who are Members of the Public Accounts Committee and my colleagues in that committee, and also with the views of the Accountant-General. Sir, as hon. Members are aware that there is an export duty of 5 per cent upon hides and skins. It was formerly 15 per cent. But by a resolution passed at the World Economic Conference in Geneva pressure is being brought to bear upon the Government of India for the abolition of the duty, and if according to that resolution this duty is removed and the Government of India levies a cess which is, what is in view, instead of an export duty to assess the value of leather exported from this country. Until that is definitely known, I urge upon the hon. Members of this House for the retention of this Leather Trade School. I would rather have it named Leather Research Institute for the purpose.

" I entirely endorse the views of my colleagues that the expenditure by the Institute should be curtailed because we are losing very heavily, pointing out at the same time that it has got a purpose for which it was created, and I should like to urge upon the Members that this thing must be kept prominently in view.

" I have only one word more to add. As regards the view of the Accountant-General that the growth of expenditure of the province has not been proportionate with the growth of revenue, we know the reason for it. The financial period of the last ten years since the Reforms may be divided into two periods—one with the period of the imposition of the Provincial contributions and the other with the period when remissions began to come in. With the introduction of the Reforms the province had to incur expenditure of various kinds, which is only necessary and inevitable. In addition to that we had to contribute 348 lakhs as provincial contribution under the Meston Award. It was a third of what we collected then as revenue from the people and this sum had to be paid to the Central Government. In fact, we actually contributed a sum as big as the contributions of all the other provinces put together excepting probably Punjab. But when the remissions began to come in, the various departments had not paid proper attention to economise their expenditure. In fact, the various departments over-estimated their expenditure with the result that it resulted in great deal of surrenders. This thing has to be avoided in the future. My hon. Friend Mr. Biswanath Das proposed that a Retrenchment Committee should go into the financial position of the presidency. But the hon. the Finance Member in his budget speech has clearly warned the various departments that the present scale of expenditure cannot go on any longer as there is no room for

the expansion of revenues of the province. But, however, the time has already reached, in my view, to take a detailed survey of the present financial position of the Province. The increase in normal expenditure must be cut down to balance the normal revenue and that is essentially a condition of a well-ordered progress in the future. We must correctly estimate our annual expenditure for the next few years on our present commitments and both on recurring and non-recurring schemes and find means for utilizing the present revenue and if there is a surplus it must be kept aside for any unforeseen circumstances. Until some such thing is done the growth of expenditure is bound to go up."

* The hon. Mr. T. E. Moir: "Mr. President, I propose, Sir, in the first place, to deal with the motion of the Hon. Member for West Godavari, in which he invites the House to express its disagreement with the conclusions of the Public Accounts Committee on four specific points. There is, of course, no objection to such a motion being brought under discussion although I regret the actual form which the motion has taken, namely, an indication to the House to accept the views of the Accountant-General in preference to those of the Statutory Commission. Now, Sir, that invitation seems to me to be based on an incorrect appreciation of the position. In considering this report of the Statutory Committee, the Legislative Council is not arbitrating or pronouncing judgment as between the Accountant-General and the Committee. Where differences of opinion arise between the Accountant-General and a department of Government on matters within the purview of the Public Accounts Committee, it is to the Public Accounts Committee that they are referred. The Committee hears both sides and comes to its decision which is incorporated in the report which is laid before the House. It is, I may say, to the wording of the motion that I object, as it seems to me to treat the Accountant-General and the Public Accounts Committee, a Statutory Committee of this House, as equal or parallel authorities. That is not the position and I feel sure that the Accountant-General himself would be the first to deprecate any misconception as regards his relations to and position with reference to the Statutory Committee before which his report is placed. I would suggest, Sir, that future motions of this kind might be so worded as to avoid any room for misconception on this point. It is, of course, a matter of considerable importance that the Legislative Council should not lightly differ from the decision arrived at by its own Statutory Committee of this kind, and I will now venture to deal with the specific points raised in the motion before the House. As regards the first point, what the Accountant-General actually said was 'it might be advisable at this stage for Government to take a review of the results of the departmental manner of exploiting the timber resources of the Presidency.' That, Sir, was with reference to the accounts for 1926–27. Since then, Government have undertaken a comprehensive review of the organization and the working of the Forest department. Such a review must, of course, cover all departmental working, and it is not unreasonable that the Committee should accept a statement to that effect as fully covering the tentative suggestion made by the Accountant-General in the report on the Appropriation Accounts.

"Turning now to the second point, as regards the position of certain officers under judicial training as non-vacation officers, the position is simply this: Certain officers are placed under judicial training for a period

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which covers 18 months. That training is controlled and prescribed by the High Court. It includes both study and practical training. For practical training these officers are attached to different Courts where they sit with the presiding Judge and also try cases assigned to them; but the object, of course, is not to give relief to the Courts but to train them for their future duties. As the period of 18 months must necessarily cover the vacation period of any Court, they are expected to devote that period to the study of law on such lines and in such place as the controlling authority may direct. Their position, therefore, is entirely different from that of the Judge of a Court who is permitted to avail himself of the vacation provided arrangements are made for attending to the routine duties. The view that the training is continuous and that its continuity is not affected by the closure of the Courts for the vacation was accepted after full consideration by the majority of the Committee and from that conclusion the treatment of these officers as non-vacation officers naturally follows.

"The next point to which the motion under discussion refers is with regard to the constitution of the Mettur district. Large works, such as the Cauvery-Mettur project, must necessarily involve general administrative arrangements. These may vary from time to time according to the needs of the moment as has been the case with Mettur. The Committee accepted the view that such administrative arrangements were necessary for the functioning of the project and implicit in its conception, and that it was, therefore, unreasonable to treat the necessary administrative arrangements as distinct from and constituting a separate new service outside the scope of the project and the sanction. If I may illustrate that standpoint by one example, a considerable amount of expenditure on a project of this kind is concerned with the acquisition of the land required. The acquisition of land requires the employment of staff and the staff requires necessary supervision.

"As regards the last point, namely, the Leather Trade Institute, I would first say that the hon. Member is incorrect in stating that the Accountant-General recommended that the Leather Trade Institute should be closed. The Accountant-General's remarks are contained in paragraph 10 on pages 153 and 154 of his report and they contain no such recommendation. In fact, as has been pointed out by one hon. Member, it is not the function of the Accountant-General to make recommendations on purely administrative issues of this kind. It was the Public Accounts Committee of the previous year that recommended that the institute should be closed as soon as possible.

3-15 p.m. "One hon. Member has raised the question as to whether the Public Accounts Committee itself was within its powers in making a recommendation on an administrative issue of that kind. My recollection is indeed that at the time of the discussion in that year a tentative suggestion was made that in making such a recommendation the Committee was somewhat exceeding the powers and the functions entrusted to it. However, paragraph 42 of the report which is now under discussion clearly states the position as it was placed before the Public Accounts Committee of the current year. The future position and functions of the institute are of course administrative matters within the control of my hon. Colleague the Minister for Development. And I may add that this very question was discussed in connexion with the budget yesterday. The question of the continuance of the institute was raised directly in connexion with the budget and my hon. Colleague gave his explanation as to the action which he

intended to take in reference to its continuance. I understand that he informed the House that before taking any further action he desires to consult the leaders of the trade and others directly interested in the question. The grant with reference to which a cut motion was moved on that issue was rejected by the House and the demand was passed and so I think it would be out of order on my part if I were to consider that issue as being to-day open to my comments whether of dissent or approval.

"As regards the more general points which have been raised, I do not propose to refer in detail to the remarks of the hon. Member from South Kanara. His general complaint was his inability to understand the report. That, of course, I regret, but, as he himself confessed that he had thrown aside his copy of the report of the Accountant-General on which the report of the Public Accounts Committee is based, I am afraid that he must take the responsibility for that upon himself.

"Nor do I propose to follow the hon. Member for the University in those points in which he crossed the t's and dotted the i's of the observations and recommendations made by the Public Accounts Committee. The extent to which he did so and, I think, other hon. Members also, is in itself sufficient evidence of the value of the Committee's labours. I shall confine myself therefore to one or two specific points. The hon. Member referred to the form in which the budget estimates are presented and stated that that is vested in the sole authority of the Finance Member. I think the hon. Member seems to be under some misapprehension. The form in which the budget estimates and the subsidiary accounts are presented to the Legislative Council depends upon the form of the accounts and the form of the accounts is prescribed in all major matters by the Auditor-General. The hon. Member was, I think, referring to Legislative Council Rule 26 (1) which deals with the framing of the Schedule of Demands. That is an entirely distinct matter from the form of the Civil Budget Estimates or the powers which he attributed to the Public Accounts Committee in England. So far as I know, the position is that in England no alteration can be made in the form of the estimates without the consent of the Public Accounts Committee; but, the manner in which the budget shall be presented, the time and order in which the various demands shall be taken up for consideration are matters entirely within the power and control of the Government for the time being.

"The hon. Member also referred and with approval to lump sum cuts and quoted the example of the Government of India's procedure in that respect. On that I shall merely say that I have always opposed lump sum cuts for the reason that lump sum cuts simply result in lump sum grants. Hon. Members know the grave and serious objections to lump sum grants. I hold further that they merely encourage officers to budget loosely and to over-estimate in order to leave a greater margin against any anticipated lump sum cut. What we are doing here is to insist on more adequate budgeting with reference to past actuals and more carefully scrutinized anticipations.

"The hon. Member for the University also referred to item 34 on page 64 of the report. For the further information for which he asked, I would refer him to pages 120—121 of the report of the Public Accounts Committee for the previous year 1925-26. He also referred to the position of the Finance Committee. I have been unable to find the reference which

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he apparently had in mind. I have again studied the report with reference to his remarks on the point and those of the hon. Member for Ganjam, and have been unable to find in the Public Accounts Committee's Report a reference to the Finance Committee. I do not know therefore exactly what he meant by the phrase 'some kind of preliminary control over the original or supplementary demands.' The Auditor-General's conception of the functions of the Finance Committee is given on page 68 of the report. 'Such a Committee,' he says, 'should afford to the Local Government a valuable means of taking the views of a body representative of the Legislative Council upon projected expenditure before it is sanctioned.' That is exactly the function which the Finance Committee in this Province performs.

"The hon. Member also referred to non-voted expenditure and its determination. As to that, I can only point out that under the section of the Government of India Act to which he referred, viz., 72-D, should a question arise as to whether any particular item of expenditure should be treated as voted or non-voted, a final decision on the point is duly provided for. The hon. Member, therefore, seems to me to have been in error in suggesting that there is no provision of law governing such questions should they arise.

"The hon. Member from Ganjam, Mr. Biswanath Das, also devoted most of his time on his attempt to express his concurrence with the recommendations and remarks of the Public Accounts Committee. He referred to one or two specific points such as overestimating and bad budgeting. Only recently in my budget speech I dwelt on these questions exhaustively and made my own comments upon them. I do not therefore propose to weary the House by repeating them. He also referred to the increase of revenue and expenditure. This of course is not a matter with which the Public Accounts Committee is concerned. Its concern is to see that whatever expenditure that does take place has been incurred under proper sanction and with due regard to the statutory rules with reference to which it is constituted. But he went on, apparently not being satisfied with the existence of a Public Accounts Committee and of a Finance Committee to suggest that we should also have a retrenchment committee. I may say, Sir, that, as far as I am concerned, I have never yet failed to find such guidance or assistance as I require from the Finance Committee and the Public Accounts Committee in their respective spheres. I have no reason to suppose that their assistance would be denied to me in the future and therefore, as far as I am concerned, I do not propose to follow up the suggestion of the hon. Member who wanted another committee should be constituted to take over in whole or in part the functions which they, to my mind, discharge adequately.

"With these words I beg to oppose the motion of the hon. Member from West Godavari."

Mr. P. T. RAJAN :—" Sir, I move that the question be put."

The closure motion was put and declared lost.

A poll was demanded and the House divided thus :—

Ayes.

1. The hon. Sir Norman Marjoribanks.
2. " Khan Bahadur Sir Muhammad Usman Sahib Bahadur.
3. " Mr. T. E. Moir.
4. The hon. Diwan Bahadur M. Krishnan Nayar.
5. " Mr. M. R. Seturatnam Ayyar.
6. " Mr. S. Muthiah Mudaliyar.

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Ayes—cont.

7. The hon. Dr. P. Subbarayan.
8. Diwan Bahadur P. Kesava Pillai.
9. Mr. H. A. Watson.
10. ,, C. A. Souter.
11. ,, S. H. Slater.
12. ,, A. McG. C. Tampoe.
13. ,, C. W. E. Cotton.
14. ,, V. Ch. John.
15. ,, M. A. Manikkavelu Nayakar.
16. ,, Syed Tajudin Sahib.
17. Munshi Abdul Wahab Sahib.
18. Mr. A. B Shetty.
19. ,, J. Bheemayya.
20. ,, R. Foulkes.
21. ,, Mahmud Schamnad Sahib.
22. ,, J. Kuppuswami.
23. Subadar-Major S. A. Nanjappah Bahadur.
24. Mr. T. M. Narayanaswami Pillai.
25. ,, K. Krishnan.
26. ,, Hilton Brown.
27. Rao Sahib L.C. Guruswami.
28. Mr. V. I. Munuswami Pillai.
29. ,, W. P. A. Soundara Pandia Nadar.
30. ,, Daniel Thomas.
31. ,, S. Venkiah.
32 Rao Sahib R. Srinivasan.
33. Mr. W. O. Wright.
34. ,, F. E James.
35. ,, R. J. C. Robertson.
36. ,, H. F. P Hearson.
37. ,, S. N. Dorai Raja
38. ,, S. Arpudaswami Udayar.
39. The Zamindar of Kallikota.
40. Khan Bahadur P. Khalif-ul-lah Sahib Bahadur.
41. Swami A. S. Sahajanandam.
42. Diwan Bahadur R. N. Arogyaswami Mudaliyar.
43. The Zamindar of Seithur.
44. The Zamindar of Gollapalli.
45. Mr. V. Ramjee Rao.
46. ,, R. Nagan Gowda.
47. ,, C. Gopala Menon.
48. ,, B. Ramachandra Reddi.
49. Rao Bahadur C. S. Ratnasabapathi Mudaliyar.
50. Rao Bahadur Sir A. P. Patro.
51. Diwan Bahadur P. C. Ethirajulu Nayudu.
52. Mr. P. T. Rajan.
53. ,, T. K. Chidambaranatha Mudaliyar.
54. Rao Bahadur S. Ellappa Chettiyar.
55. Khan Bahadur Abdul Razack Sahib Bahadur.
56. Mr. Muhammad Khadir Mohidin Sahib.
57. Diwan Bahadur S. Kumaraswami Reddiyar.
58. Khan Sahib T. M. Moidoo Sahib Bahadur.
59. Rao Bahadur K. Sitarama Reddi.
60. ,, ,, B. Muniswami Nayudu.
61. Mr. K Sarabha Reddi.
62. The Kumara Raja of Venkatagiri.
63. Mr. A. V. Bhanoji Rao.
64. The Zamindar of Mirzapuram.

Noes.

1. Mr. P. C. Venkatapati Raju.
2. ,, K. Koti Reddi.
3. ,, R. Srinivasa Ayyangar.
4. ,, Sami Venkatachalam Chetti.
5. ,, S. Satyamurti.
6. ,, J. A. Saldanha.
7. ,, G. Harisarvottama Rao.
8. ,, C. S Govindaraja Mudaliyar
9. ,, Abdul Hameed Khan.
10. Mr. K. V. R. Swami.
11. ,, D. Narayana Raju.
12. Mr. K. R. Karant.
13. ,, P. Anjaneyulu.
14. ,, C. Obi Reddi
15. ,, A. Parasurama Rao.
16. Sriman Biswanath Das Mahasayo.
17. Mr. A. Kaleswara Rao.
18. ,, K. Uppi Sahib.
19. ,, C. Marudavanam Pillai.
20. ,, K. V. Krishnaswami Nayakar.
21. ,, G. Venkatarangam Nayudu
22. ,, K. S. Sivasubrahmanya Ayyar.

Ayes 64. Noes 22.

The closure motion was carried.

* The hon. the PRESIDENT :—" The question is to add the following at the end :— 3-30 p.m.

'(a) *That on such consideration this Council is of opinion that in regard to the following matters, namely,*

(1) *Paragraph 27 of the Report—Separate review of the results of the departmental manner of exploiting the timber resources of the Presidency,*

(2) *Paragraph 31 of the Report—Classification of Indian Civil Service officers under judicial training as non-vacation officers, and*

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(3) *Paragraph 48 of the Report—Failure to treat the formation of the Mettur district as a new service,*

the views of the Accountant-General should be accepted.

'(*b*) *And that in regard to paragraph 42 of the report this Council agrees with the recommendation of the Accountant-General that the Leather Trades Institute should be closed*'."

The motion was put and declared lost.

A poll was demanded and the House divided thus ;—

Ayes.

1. Mr. P. C. Venkatapati Raju.
2. ,, K. Koti Reddi.
3. ,, R. Srinivasa Ayyangar.
4. ,, S. Satyamurti.
5. ,, G. Harisarvottama Rao.
6. ,, C. S. Govindaraja Mudaliyar.
7. ,, Abdul Hameed Khan.
8. ,, K. V. R. Swami.
9. ,, D. Narayana Raju.
10. ,, K. R. Karant.
11. Mr. P. Anjaneyulu.
12. ,, C. Obi Reddi.
13. ,, A. Parasurama Rao.
14. Sriman Biswanath Das Mahasayo.
15. Mr. A. Kaleswara Rao.
16. ,, K. Uppi Sahib.
17. ,, C. Marudavanam Pillai.
18. ,, K. V. Krishnaswami Nayakar.
19. ,, C. Venkatarangam Nayudu.
20. ,, K. S. Sivasubrahmanya Ayyar.

Noes.

1. The hon. Sir Norman Marjoribanks.
2. ,, Khan Bahadur Sir Muhammad Usman Sahib Bahadur.
3. ,, Mr. T. E. Moir.
4. ,, Diwan Bahadur M. Krishnan Nayar.
5. ,, Mr. M. R. Seturatnam Ayyar.
6. ,, ,, S. Muthiah Mudaliyar.
7. ,, Dr. P. Subbarayan.
8. Mr. Hilton Brown.
9. Diwan Bahadur P. Kesava Pillai
10. Mr. H. A. Watson.
11. ,, C. A. Souter.
12. ,, S. H. Slater.
13. ,, A. McG. C. Tampoe.
14. ,, C. W. E. Cotton.
15. ,, V. Ch. John.
16. ,, M. A. Manikkavelu Nayakar.
17. ,, Muhammad Tajudin Sahib.
18. Munshi Abdul Wahab Sahib.
19. Mr. A. B. Shetty.
20. ,, J. Bheemayya.
21. ,, R. Foulkes.
22. ,, Mahmud Schamnad Sahib.
23. ,, J. Kuppuswami.
24. Subadar-Major S. A. Nanjappah Bahadur.
25. Mr. T. M. Narayanaswami Pillai.
26. ,, K. Krishnan.
27. Rao Sahib L. C. Guruswami.
28. Mr. V. I. Muniswami Pillai.
29. ,, W. P. A. Soundara Pandiya Nadar.
30. ,, Daniel Thomas.
31. ,, S. Venkiah.
32. Rao Sahib R. Srinivasan.
33. Mr. W. O. Wright.
34. ,, F. E. James.
35. ,, R. J. C. Robertson.
36. ,, H. F. P. Hearson.
37. ,, S. N. Dorai Raja.
38. ,, S. Arpudaswami Udayar.
39. The Zamindar of Kallikota.
40. Khan Bahadur P. Khalif-ul-lah Sahib Bahadur.
41. Swami A. S. Sahajanandam.
42. Mr. V. Ramjee Rao.
43. ,, C. Gopala Menon.
44. Rao Bahadur C. S. Ratnasabapathi Mudaliyar.
45. Rao Bahadur Sir A. P. Patro.
46. Diwan Bahadur P. C. Ethirajulu Nayudu.
47. Mr. P. T. Rajan.
48. ,, T. K. Chidambaranatha Mudaliyar.
49. Rao Bahadur S. Ellappa Chettiyar.
50. Khan Bahadur S. K. Abdul Razack Sahib Bahadur.
51. Mr. Muhammad Kadir Mohidin Sahib.
52. Diwan Bahadur S. Kumaraswami Reddiyar.
53. Khan Sahib T. M. Moidoo Sahib Bahadur.
54. Rao Bahadur K. Sitarama Reddi.
55. ,, B. Muniswami Nayudu.
56. Mr. K. Sarabha Reddi.
57. The Zamindar of Mirzapuram.
58. The Kumara Raja of Venkatagiri.
59. Mr. A. V. Bhanoji Rao.

Neutral.

1. Mr. Sami Venkatachalam Chetti.
2. ,, J. A. Saldanha.
3. Diwan Bahadur R. N. Arogyaswami Mudaliyar.
4. The Zamindar of Seithur.
5. The Zamindar of Gollapalli.
6. Mr. R. Nagan Gowda.
7. ,, B. Ramachandra Reddi.

Ayes 20. Noes 59. Neutral 7.

The motion was lost.

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* The hon. the PRESIDENT :—" I will now put the motion of the hon. the Finance Member to the vote of the House. The question is 'that the report of the Public Accounts Committee on the Audit and Appropriation Accounts of the Presidency of Madras for 1926-27 be taken into consideration'."

The motion was carried.

VI

THE MIRZAPURAM AND PEDAGONNUR IMPARTIBLE ESTATES BILL.

* The hon. the PRESIDENT :—" The motion that the consideration of the Bill be adjourned[a] was under consideration. Mr. Hameed Khan will now continue his speech."

* Mr. ABDUL HAMEED KHAN :—" Mr. President, Sir, I was speaking the other day on the adjournment motion moved by my friend Mr Biswanath Das Mahasayo for postponement of the consideration of the Bill for three months. Sir, as I have stated, I do not see the need for the great hurry with which attempts have been made to enact into law the present Bill that has been before this House. The hurry that has been made by the mover of this Bill is, so far as I see, with a view to take away the legitimate rights of certain members of the zamindaris referred to in this Bill. As it was stated before, I see no reason why three months should not be given for the consideration of this Bill so that the claims of all the various families concerned will be scrutinized and that no wrong will be done to them. I therefore believe that the House will be doing an elementary act of justice to the members of the families concerned in this Bill by giving them an opportunity to place their case before the Members of this House so that we shall be prepared when we come next to the Council to see that their case does not go by default. It is with that object, Sir, that the motion is considered necessary for the purpose of giving three months' time so that we might not pass the legislation in a hurry."

* The hon. the PRESIDENT :—" The question is 'that the consideration of the Bill be adjourned to a date three months hence'."

The motion was lost

* The hon. the PRESIDENT :—" I will now put the Bill clause by clause for the consideration of the House."

Mr. B. RAMACHANDRA REDDI :—" I move that the figures '1929' in clause 1 be substituted for '1928'."

The ZAMINDAR OF GOLLAPALLI :—" I second it."

The motion was carried and clause 1 as amended was allowed to stand part of the Bill.

* Sriman BISWANATH DAS MAHASAYO :—" I do not propose to move the first portion of my amendment to clause 2. I shall move the second portion of it."

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[a] Please see proceedings of the 25th February 1929.